

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

In re Application of

TELEPHONE AND DATA SYSTEMS,
INC.

For facilities in the Domestic Public
Cellular Telecommunications Radio Service
on Frequency Block B, in Market 715,
Wisconsin 8 (Vernon), Rural Service Area

) CC Docket No. 94-11
)
) File No. 10209-CL-P-715-B-88
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)

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To: Honorable Joseph P. Gonzalez
Administrative Law Judge

**BILL OF PARTICULARS
OF THE WIRELESS TELECOMMUNICATIONS BUREAU**

It was decided in a pre-hearing conference that the parties shall submit a Bill of Particulars in order to inform Telephone and Data Systems, Inc. (TDS) and United States Cellular Corporation (USCC) of the instances in which the parties believe that issues remain regarding USCC's conduct during the La Star Cellular Telephone Company (La Star) proceeding (CC Docket 90-257).¹ The Chief, Wireless Telecommunications Bureau (Bureau), through her counsel, hereby submits a Bill of Particulars on behalf of the Bureau. Throughout the La Star proceeding, La Star Cellular Telephone Company (La Star) filed a number of pleadings, several of which contained written declarations of USCC personnel. USCC personnel testified in both depositions and the hearing. Both La Star and USCC filed direct cases. After the conclusion of the La Star

¹ See Tr. 7-8.

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proceeding, USCC also filed a Petition to Delete or Nullify the Effect of Footnote Three. This Bill of Particulars will list the instances in each pleading, written declaration, and oral testimony in which the Bureau believes an issue exists as to whether USCC lacked candor, misrepresented facts, or otherwise attempted to mislead the Commission.²

As a general matter, the Bureau believes an issue exists whether USCC lacked candor, misrepresented facts, or attempted to mislead the Commission in testimony proffered regarding the control of the La Star Management Committee over the affairs of La Star. Additionally, the Bureau believes an issue exists whether USCC lacked candor, misrepresented facts, or attempted to mislead the Commission in its testimony about the extent of SJI Cellular, Inc.'s (SJI)³ and the SJI principals's involvement in the La Star application.

OCTOBER 1987 AMENDMENT

On October 26, 1987, La Star filed an amendment to its application for a cellular authorization to serve St. Tammany Parish in the New Orleans Metropolitan Statistical Area. Listed below are statements from that Amendment in which the Bureau believes an issue exists as to whether the statements are lacking in candor, misrepresenting facts, or misleading.

- "Except as otherwise expressly provided herein, complete and exclusive power to direct and control [La Star] is delegated to a Management Committee." (1987 Amendment at Exhibit L-2, Joint Venture Agreement, Article 4.1.)

² Nothing in this Bill of Particulars is meant to pre-judge whether TDS or USCC actually engaged in misconduct during the La Star proceeding, but instead is meant to inform TDS of the areas in which the Bureau believes the record in La Star is insufficient to be able to make a determination.

³ SJI is the 51 percent joint venturer in the La Star application. (USCC was the 49 percent joint venturer.) SJI possessed the wireline presence in the New Orleans MSA. Therefore, pursuant to the Commission's Rules, SJI is required to be in control of the prosecution of the La Star application. See 47 C.F.R. § 22.902(b).

- "These goals [of La Star's proposed rate structure] are served by a cost-based tariff that will encourage full utilization of the wide range of the cellular system's capabilities." (1987 Amendment at Exhibit L-3, p.1)
- "La Star's management team will make and subsequently implement all policy decisions affecting its cellular system." (1987 Amendment at Exhibit L-7, p.1.)

REPLY TO PETITION TO DISMISS OR DENY

On March 2, 1988, La Star filed a Reply to Petition of New Orleans, CGSA, Inc. (NOCGSA)⁴ to Dismiss and Deny the Application and Amendments of La Star Cellular Telephone Company. The Bureau believes that an issue exists as to whether USCC lacked candor, misrepresented facts, or attempted to mislead the Commission in the following instances:

- "USCC purchased the stock of Star in August 1987 with the understanding that it was buying nothing more than a minority non-controlling interest in La Star." (Reply at 7, n.4.)
- "The partnership itself is governed by a five member Management Committee. Section 4.1 [of the La Star Joint Venture Agreement] places the 'exclusive power to direct and control the Company' with the Management Committee. SJI appoints three members to the Management Committee and Star appoints two. Most business and policy decisions of La Star are controlled by a simple majority vote of the Management Committee. Since SJI appoints three members to the Management Committee it has de facto control over La Star's day-to-day business activities." (Reply at 9-10.)
- "Star can block certain actions SJI may wish to take, but Star has no power to require SJI to take any action. SJI still retains majority voting interest, elects a majority of the members of the Management Committee and can conduct business on a majority vote." (Reply at 11.)
- "TDS does not have decision-making authority with regard to

⁴ Louisiana CGSA, Inc. is the successor in interest to NOCGSA and is a party to this current proceeding.

construction or operation of the system. That power rests with the La Star Management Committee which is controlled by SJI." (Reply at 13.)

La Star also filed an affidavit of H. Donald Nelson with its Reply. The Bureau believes an issue exists as to whether the following statements lack candor, misrepresent facts, or are misleading:

- "USCC purchased its 49% interest in La Star with the clear understanding that La Star was controlled by its 51% shareholder, SJI Cellular, Inc. (SJI)." (Nelson affidavit at 1.)
- "Further, USCC has . . . [not] acted in any way to assert control over any of the activities of La Star, beyond its actions in appointing a minority of the Management Committee." (Nelson affidavit at 1.)

JUNE 1990 MOTION FOR LEAVE TO AMEND AND AMENDMENT

On June 18, 1990, La Star filed a Motion for Leave to Amend its application and a corresponding amendment. A written declaration of H. Donald Nelson was included with the Motion. That declaration is identical to the affidavit submitted with La Star's Reply to NOCGSA's Petition to Dismiss or Deny. Therefore, the Bureau believes the same issues exist as to whether USCC misrepresented facts, lacked candor, or attempted to mislead.

DEPOSITION OF H. DONALD NELSON

Donald Nelson, president and chief executive officer of USCC, was deposed on July 18, 1990, during the discovery phase of the La Star proceeding. The Bureau believes issues exist as to whether the following testimony lacked candor, misrepresented facts, or was made in an attempt to mislead the Commission.

MR. TOLLIN: Any specific duties you have on the Management Committee?

MR. NELSON: Yes.

MR. TOLLIN: Could you describe those duties?

MR. NELSON: Receive the bills and process payment thereof.

Deposition Tr. at 7. The Bureau believes an issue exists as to whether this statement fully describes the extent of Mr. Nelson's duties and involvement.

MR. TOLLIN: To your knowledge, does the management committee for La Star have complete and exclusive power to direct and control La Star's activities?

MR. NELSON: Yes.

Deposition Tr. at 12.

MR. TOLLIN: Any recollection of how many telephone conferences [of the Management Committee] there were?

MR. NELSON: No, I don't recall.

MR. TOLLIN: Less than five?

MR. NELSON: Probably more than five.

Deposition Tr. at 16.

MR. TOLLIN: Was there a vote [on whether to amend the Joint Venture Agreement]?

MR. NELSON: I did tell Mr. Belendiuk that we'd voted for it.
The answer is yes. You know, that's what we did in agreeing to the agreement.

Deposition Tr. at 30.

DEPOSITION OF RICHARD W. GOEHRING

Richard Goehring, vice president of engineering and operations, was deposed on July 18, 1990, during the discovery phase of the La Star proceeding. The Bureau believes that issues exist whether the following testimony of Mr. Goehring lacked candor, misrepresented facts, or was made to mislead the Commission.

MR. TOLLIN: Were you involved in preparing the engineering portions of the La Star filings --

MR. GOEHRING: No.

MR. TOLLIN: -- before the FCC? No?

MR. GOEHRING: No.

Deposition Tr. at 10.

MR. TOLLIN: Have you ever worked with Mr. Biby?

* * *

As it relates to this case?

MR. GOEHRING: No.

Deposition Tr. at 10.

MR. TOLLIN: Did any engineers [do] in-house work on the engineering?

MR. GOEHRING: No.

Deposition Tr. at 11.

MR. TOLLIN: Do you know Mark Peabody?

MR. GOEHRING: I know of Mark Peabody. I don't know him personally.

MR. TOLLIN: Have you ever talked to him?

MR. GOEHRING: I believe I talked to him on the phone once or twice several years ago.

Deposition Tr. at 12.

MR. TOLLIN: Did you play any role in the selection of equipment for either the interim system or the permanent system?

MR. GOEHRING: No.

Deposition Tr. at 20.

MR. TOLLIN: Did you review the 1987 amendment and the 1988 interim proposal application before they were filed?

MR. GOEHRING: No.

Deposition Tr. at 21.

MR. BELENDIUK: Did you do any work on the interim application at all?

MR. GOEHRING: No.

MR. BELENDIUK: All right. Did you do any work on the amendment?

MR. GOEHRING: No.

Deposition Tr. at 31.

MR. TOLLIN: What engineers at USCC worked on either the six-cell application or the three-cell application?

* * *

You mentioned Tom Gilliland, but you didn't mention anyone else.

MR. GOEHRING: Tom worked on the numbers -- he did not work on the application. He worked on the numbers that were given to me for essentially refuting the petition to deny.

MR. TOLLIN: I see. Did any engineers at USCC work on anything relating to the application?

MR. GOEHRING: No. At the time, Tom was the sole engineer at USCC working for me.

Deposition Tr. at 32-33.

DEPOSITION OF MARK KROHSE

Mark Krohse, who is the USCC accounting manager and the assistant treasurer and assistant secretary of Star Cellular Telephone Company, was deposed on July 20, 1990, during the discovery phase of the La Star proceeding. The Bureau believes that issues exist as to whether

the following testimony lacked candor, misrepresented facts, or was made to attempt to mislead the Commission.

MR. TOLLIN: Have you been involved in performing any duties for La Star?

MR. KROHSE: Yes.

MR. TOLLIN: Could you describe them?

MR. KROHSE: At the direction of Art Belendiuk, I have been involved in processing amounts for payments for cell site options; and also at the request of Art Belendiuk, I put together information for a proposed budget for La Star.

Deposition Tr. at 8. The Bureau believes an issue exists as to whether this testimony fully represents the extent of Mr. Krohse's involvement.

MR. KROHSE: The request for the [1988 and 1989 Federal] tax return[s] was sent to me by someone from Lafourche Telephone Company. The TDS tax department completed the return and sent it in.

Deposition Tr. at 65.

MOTION FOR SUMMARY DECISION

On August 15, 1990, La Star filed a Motion for Summary Decision. Listed below are statements from the Motion which the Bureau believes are lacking in candor, misrepresenting facts, or misleading.

- "La Star is controlled by SJI Cellular through La Star's Management Committee." (Motion at ii.)
- "[By amending the Joint Venture Agreement] it was not La Star's purpose to cure an eligibility defect, there being none. La Star's purpose was to have the Joint Venture Agreement more accurately reflect the parties' actual past practices (insofar as the supermajority provisions are concerned) and to obviate any concerns about future de facto control over La Star. (Motion at 5, n.10.)
- "La Star's Five member Management Committee has controlled La Star." (Motion at 6.)

- "Decisions regarding litigation strategy were recommended by counsel and unanimously agreed upon by the members of the Management Committee." (Motion at 7.)
- "Counsel contacted the Management Committee via telephone and the committee agreed to the proposed amendments [to the La Star Joint Venture Agreement]." (Motion at 8.)
- "La Star's application has been prosecuted under the direction and control of the La Star Management Committee, which is controlled by SJI Cellular." (Motion at 8.)
- "Aside from rendering technical assistance, as requested by the Management Committee, Star has done no more than pay the bills." (Motion at 8.)
- "The [1988 and 1989] tax forms were given to USCC by the Management Committee, because USCC had immediate access to the information necessary to complete the forms." (Motion at 9.)
- "At the direction of La Star's counsel, Arthur V. Belendiuk, Mark Krohse, an employee of USCC[,] updated La Star's budget projections which were originally submitted to the FCC in the 1983 application." (Motion at 10.)
- "The Management Committee, which is controlled by SJI Cellular, has always and will continue to control La Star." (Motion at 11.)
- "Retrospectively, the actions taken by La Star, SJI Cellular and Star, as discussed herein, clearly establish that control of La Star rests in La Star's Management Committee, which is controlled by SJI Cellular and not Star, USCC, TDS or their affiliates." (Motion at 13.)
- "Similarly, La Star has submitted herewith Declarations indicating that the decisions with respect to the business of La Star (i.e., prosecuting its application) have been made solely by the Management Committee, which is controlled by SJI Cellular." (Motion at 15.)
- "Furthermore, any actions taken by consultants, engineers, attorneys, or Star, USCC and TDS have been taken at the request of the Management Committee." (Motion at 15.)

- "The terms of the Joint Venture Agreement do not vest control of La Star to anyone other than the Management Committee. Specifically, the Agreement calls for the Management Committee to have the exclusive power to control the company." (Motion at 18, footnote omitted.)
- "SJI Cellular elects a majority of the members of the Management Committee, which conducts La Star's day-to-day business by a majority vote." (Motion at 22.)
- "It has always been the intention of La Star's venturers that La Star would be controlled by its Management Committee, which is ultimately controlled by SJI Cellular." (Motion at 26.)
- "It has not been, nor is it currently the intention of La Star, SJI Cellular nor Star for anyone other than the Management Committee to control La Star." (Motion at 27.)
- "It is equally clear that control of La Star rests in the Management Committee, which is ultimately controlled by SJI Cellular." (Motion at 27.)

La Star included with its Motion for Summary Decision written declarations of H. Donald Nelson, Richard W. Goehring, and Mark Krohse. The Bureau believes that issues exist as to whether those declarations misrepresented facts, lacked candor, or attempted to mislead the Commission in the following ways:

Declaration of H. Donald Nelson

- "Although I am a member of La Star's Management Committee, I have not been actively involved in the day-to-day management of La Star's affairs, which, to my knowledge, have been litigious in nature." (Declaration at 2.)

This statement makes it appear as though Mr. Nelson played only a minor role in La Star's affairs. The statement also makes it appear as though there was little La Star activity other than legal matters.

- "Since my appointment to the Management Committee in August,

1987, I have always acted on the belief that La Star's Management Committee is controlled by the three members appointed by SJI Cellular. I am not aware of a single instance where that has not been the case." (Declaration at 2.)

This statement makes it appear as though the La Star Management Committee is running the affairs of La Star.

- ". . . my primary contact during the time I have been a member of La Star's Management Committee has been with La Star's attorney, Arthur V. Belendiuk." (Declaration at 2.)

This statement implies that Mr. Nelson had contacts on the Management Committee other than Mr. Belendiuk.

- "I understood that [Mr. Belendiuk] had first spoken to someone at SJI Cellular and that the course of action had already been approved by SJI Cellular. In these circumstances, I did not believe that my approval was necessary, since three members of the Management Committee had already given theirs." (Declaration at 3.)

This statement makes it appear as though the La Star Management Committee is running the affairs of La Star. It also makes it appear as though all three SJI members of the Management Committee were consulted on all aspects of La Star business. Additionally, it makes it appear as though the SJI members of the Management Committee were contacted prior to USCC being contacted about any actions to be taken.

- "I conferred with the SJI Cellular members of the Management Committee only when a particular issue facing the venture required a joint effort to resolve. For example, when La Star was engaged in settlement negotiations with New Orleans CGSA, Inc. ("NOCGSA"), La Star needed to develop a settlement proposal to present to NOCGSA. Because of the wide variety of possible settlement options and the different interests of the two venturers, a telephone conference was held." (Declaration at 3.)

This statement makes it appear as though the La Star Management Committee is running the

affairs of La Star. It also makes it appear as though Nelson consulted with the Management Committee on several occasions.

- "The Management Committee discussed the various options and unanimously agreed to follow a settlement plan proposed by Sinclair H. Crenshaw, a member of the Management Committee, appointed by SJI Cellular." (Declaration at 3-4.)

This statement makes it appear as though the Management Committee is running the affairs of La Star. It also makes it appear as though all members of the Management Committee were involved in settlement discussions. The statement also makes it appear as though SJI was leading the settlement discussions.

- "All services provided by USCC to or on behalf of La Star were technical in nature and were provided at the specific request of SJI Cellular or the Management Committee, either directly or through La Star's counsel." (Declaration at 4.)

This statement makes it appear as though USCC received direct instructions from both SJI and the La Star Management Committee. The statement also makes it appear as though SJI instructed Mr. Belendiuk to request USCC to take action. In addition, the statement makes it appear as though USCC only provided technical services for La Star and did so only after being instructed to do so.

- "As I testified at my June 18, 1990 deposition, my primary duty as a member of the La Star Management Committee was to 'receive bills and process payment thereof.' I have not, nor has anyone at USCC, to my knowledge, ever threatened to withhold payment . . . " (Declaration at 4.)

This statement makes it appear as though the Management Committee is running the affairs of La Star. This statement also makes it appear as though Mr. Nelson at USCC did little else other than process the payment of bills.

- "It is now my understanding that Mr. John Brady, Jr. has been proposed as La Star's General Manager since 1983, having been so designated in its original 1983 application and again in its 1987 amendment." (Declaration at 5.)

This statement makes it appear as though John Brady is controlling the actions of La Star and has been from the start.

The Bureau also believes an issue exists as to whether Nelson's statement fully and accurately described the extent of Nelson's involvement in the La Star application. Additionally, an issue exists as to whether Nelson's testimony mischaracterized the role of the La Star Management Committee and SJI's involvement in La Star matters. The Bureau also believes that an issue exists as to whether the testimony is based upon Nelson's personal knowledge.

Declaration of Richard W. Goehring

- "I did not choose the type of equipment La Star would use." (Declaration at 1.)

This statement makes it appear as though USCC played no role in determining what type of equipment would be used by La Star.

- "I played no role in the engineering or design of La Star's cellular system, its 1987 Amendment, or its 1988 Proposal for Interim Operations." (Declaration at 1.)

This statement makes it appear as though USCC played no role in the engineering aspects of the La Star application.

- "I have never worked with Richard L. Biby on the La Star project." (Declaration at 1.)

This statement makes it appear as though Mr. Goehring had no contact or interaction with Richard Biby or his company.

- "To the best of my knowledge, no engineer at USCC or Telephone

and Data Systems, Inc. did any work or provided any engineering services to or on behalf of La Star."

This statement makes it appear as though no USCC or TDS employees played any role in any engineering aspect of the La Star application.

The Bureau also believes an issue exists as to whether Mr. Goehring's declaration fully and accurately describes the extent of his involvement in the La Star application. More particularly, the Bureau believes an issue exists as to whether Mr. Goehring's statement fully and accurately describes the involvement of USCC personnel with La Star's engineering consultants, Richard L. Biby and the Communications Engineering Services, P.C. firm.

Declaration of Mark Krohse

- "I also forwarded a request from SJI Cellular, Inc. to Telephone and Data Systems, Inc. to prepare tax returns for La Star." (Declaration at 1.)

This statement makes it appear as though SJI directly requested that USCC prepare the La Star tax returns.

- "Any work I performed was approved by La Star's attorney or SJI Cellular, Inc." (Declaration at 1.)

This statement makes it appear as though SJI was directing and reviewing Mr. Krohse's work. It also makes it appear as though no one at USCC or TDS was directing or reviewing Mr. Krohse's work.

The Bureau also believes an issue exists as to whether Mr. Krohse's declaration fully and accurately describes the extent of his involvement in the La Star application. Moreover, the Bureau believes that an issue exists as to whether the declaration accurately described the involvement of La Star consultants in the preparation the La Star model budget.

LA STAR DIRECT CASE

On September 18, 1990, La Star filed its direct case with the Commission. The Bureau believes that issues exist as to whether USCC lacked candor, misrepresented facts, or attempted to mislead the Commission in the following exhibits submitted as a part of La Star's direct case:

La Star Exhibit 10: Schedule of Proposed Charges

- "These goals [of La Star's proposed rate structure] are served by a cost-based schedule of charges that will encourage full utilization of the wide range of the cellular system's capabilities." (La Star Ex. 10, at 1.)
- "I, Mark Krohse, hereby declare under penalty of perjury that the foregoing exhibit entitled 'Schedule of Proposed Charges' is true and accurate to the best of my knowledge and belief." (La Star Ex. 10, at 5.)

La Star Exhibit 15: Testimony of H. Donald Nelson

This written declaration is virtually identical to Mr. Nelson's written declaration submitted with La Star's Motion for Summary Decision. The Bureau believes that the same issues concerning Mr. Nelson's candor discussed under the Motion for Summary Decision apply here as well.

La Star Exhibit 16: Testimony of Richard W. Goehring

This written declaration is virtually identical to Mr. Goehring's written declaration submitted with La Star's Motion for Summary Decision. The Bureau believes that the same issues concerning Mr. Goehring's candor discussed under the Motion for Summary Decision apply here as well.

La Star Exhibit 18: Testimony of Mark Krohse

This written declaration is virtually identical to Mr. Krohse's written declaration submitted

with La Star's Motion for Summary Decision. The Bureau believes that the same issues concerning Mr. Krohse's candor discussed under the Motion for Summary Decision apply here as well.

ORAL TESTIMONY OF H. DONALD NELSON

Mr. Nelson testified in the La Star proceeding before Judge Chachkin on January 24, 1991. The Memorandum Opinion and Order and Hearing Designation Order, 9 FCC Rcd 938 (1994) (HDO), which designated TDS's application for the Wisconsin 8 Rural Service Area for hearing, focused on certain testimony of Mr. Nelson. The Bureau believes that issues exist as to whether Mr. Nelson lacked candor, misrepresented facts, or attempted to mislead the Commission with regard to the testimony quoted in the HDO. The Bureau additionally believes that issues exist as to whether Mr. Nelson lacked candor, misrepresented facts, or attempted to mislead the Commission as to his following testimony:

MR. TOLLIN: Isn't it true there was not a single meeting in which all management committee members met in person?

MR. NELSON: That's not true.

MR. TOLLIN: Okay. Now, you're speaking of which meeting?

MR. NELSON: This was the meeting in Chicago.

MR. TOLLIN: Shortly after the acquisition?

MR. NELSON: Yes.

MR. TOLLIN: Who attended that meeting?

MR. NELSON: All the members of the management team.

Tr. 1332.

MR. TOLLIN: Now, how limited was that involvement [in the day-to-day affairs

of La Star]? What were you involved in?

MR. NELSON: Your question was what was I involved in?

MR. TOLLIN: Yes, for La Star.

MR. NELSON: I was involved with communication with Mr. Belendiuk. I was involved in the questions that came from him that we were to follow through on cell sites, on payment of bills, on -- I guess, that's about it.

Tr. 1334.

MR. TOLLIN: Any at TDS involved [in the day-to-day affairs of La Star] at all?

MR. NELSON: No.

Tr. 1335.

MR. TOLLIN: And does Mark Krohse report directly to you on anything?

MR. NELSON: He reports to Ken Meyers.

* * *

MR. TOLLIN: Okay. Weren't you copied on most of Mark Krohse's memos and letters regarding what he was doing for La Star?

MR. NELSON: Yes.

MR. TOLLIN: But he was not in contact with you, other than through these written memos --

MR. NELSON: No.

MR. TOLLIN: -- about La Star activities?

MR. NELSON: No.

Tr. 1335-36.

JUDGE CHACHKIN: What do you mean by that statement, that you haven't been actively involved in the day-to-day management of La Star's affairs, what do you mean by that?

MR. NELSON: In that statement I mean that I am not involved in the day-to-day management. When I am requested to do something by Mr. Belendiuk or by the management committee I would respond.

Tr. 1349-50.

JUDGE CHACHKIN: Has anyone else been involved in day-to-day management managing the affairs of La Star?

MR. NELSON: The Brady's, I'm sure, and the SJI people have.

JUDGE CHACHKIN: What do you mean by day-to-day management? What have the Brady's done as far as day-to-day management is concerned, when the next sentence says that you -- what you've been involved in up to now is litigious in nature.

So, what day-to-day management have the Brady's been involved in?

MR. NELSON: I don't know.

Tr. 1350-51

MR. TOLLIN: . . . Now who at USCC was responsible for paying the expenses?

JUDGE CHACHKIN: Signing the checks, you want?

MR. TOLLIN: Signing the checks, fine.

MR. NELSON: For those expenses that I received the invoice for, I handled them.

MR. TOLLIN: What does that mean?

MR. NELSON: I heard you say the words "all of the expenses for La Star," and I do not know that those were all of the expenses for La Star.

MR. TOLLIN: Did USCC under the agreement have responsibility for paying all of the expenses for La Star?

MR. NELSON: As I have said, those that I received.

MR. TOLLIN: Who was the coordinating point for making sure within USCC that all of the expenses were being paid?

MR. NELSON: If I received them, I paid them.

JUDGE CHACHKIN: Did anyone else at USCC have authority to sign the checks?

MR. NELSON: I was the one who authorized the payment. We have a dual signature of the check.

JUDGE CHACHKIN: With whom?

MR. NELSON: At least two of the individuals, of which Mark Krohse is one.

* * *

MR. TOLLIN: So you were basically the coordinating point for the payment of bills, the authorization for the payment of bills and the processing of La Star's expenses?

MR. NELSON: Yes, for those that I received.

MR. TOLLIN: What does that mean?

MR. NELSON: It means that if there were others that I did not receive I have no knowledge of them.

JUDGE CHACHKIN: But who else would receive it in USCC besides you and pay these bills?

MR. NELSON: I processed all of those that I received.

JUDGE CHACHKIN: Well, was there someone else who was authorized --

MR. NELSON: No.

JUDGE CHACHKIN: -- to do it?

MR. NELSON: No.

Tr. at 1355-60.

MR. TOLLIN: Now, didn't you receive a periodic accounting of La Star's system expenditures?

MR. NELSON: I don't recall that I did.

* * *

MR. TOLLIN: Who was? Who was keeping an accounting record of them?

MR. NELSON: Mark Krohse.

MR. TOLLIN: Mark Krohse. And were you following that at all?

MR. NELSON: No, I was not.

MR. TOLLIN: You were not being kept informed?

MR. NELSON: What do you mean by informed? I get copies of financial statements for all of our partnerships.

MR. TOLLIN: You were receiving copies of the ledgers --

MR. NELSON: No.

MR. TOLLIN: -- which had the expenses?

MR. NELSON: No.

MR. TOLLIN: You were receiving what then, with regard to La Star expenditures

MR. NELSON: I received periodic financial statements.

MR. TOLLIN: And you were reviewing those financial statements?

MR. NELSON: In regard to what?

MR. TOLLIN: La Star expenditures?

MR. NELSON: No.

Tr. 1396-97.

MR. TOLLIN: . . . You stated [in your declaration] that [John Brady] will be -- that it's your understanding that he has been proposed and that while you were unaware of this fact, you have no objection to his appointment, correct?

MR. NELSON: Yes.

MR. TOLLIN: So, has Brady been appointed general manager or not?

MR. NELSON: Yes.

MR. TOLLIN: At what meeting?

MR. NELSON: I don't understand your question.

MR. TOLLIN: When was he appointed?

MR. NELSON: I don't have a specific date or a --

MR. TOLLIN: Didn't USCC have super majority control over this issue at least until the amendment?

MR. NELSON: (No. response.)

MR. TOLLIN: Were you involved in his election?

MR. NELSON: No, I would support it.

MR. TOLLIN: You would support it. But he says he's already the system manager, he's already been appointed as the system manager, and will support it?

MR. NELSON: Yes.

MR. TOLLIN: So, has he been appointed or will he be appointed?

MR. NELSON: I haven't read his document. If you would --

JUDGE CHACHKIN: No, to the best of your knowledge, to your knowledge.

MR. NELSON: To my knowledge? To my knowledge, he is the manager.

JUDGE CHACHKIN: Well, has he been appointed or he will be general manager?

MR. NELSON: He is.

JUDGE CHACHKIN: When did he become general manager?

MR. NELSON: I -- I don't know.

JUDGE CHACHKIN: Well, how do you know he's been appointed general manager?

MR. NELSON: Because he had been acting in that -- in that responsibility.

JUDGE CHACHKIN: That's not the question what he had been acting. How do you know he's been appointed general manager?

MR. NELSON: I can't refer to a specific document or a specific recall, Your Honor.

Tr. 1435-37.

MR. TOLLIN: You stated earlier that Mr. Brady was acting like a general manager. Can you give me specific instances in which he took actions that were like a general manager?

MR. NELSON: In regard to the cell site activity, the need for options, the continuing of the options, which I then received from Mr. Belendiuk.

MR. TOLLIN: What did he specifically do with regard to the cell sites, Mr. Brady? Are we talking about John Brady?

MR. NELSON: Well, we were asked to extend the options, and, you know, I would ask who that came from and --

MR. TOLLIN: Did John Brady contact you directly about the cell sites?

MR. NELSON: No.

* * *

In our first meeting he was -- he was the leader.

JUDGE CHACHKIN: What does that mean?

MR. NELSON: He was the person who was in charge.

JUDGE CHACHKIN: What did he do?

MR. NELSON: He led the conversation, discussed the conversation.

JUDGE CHACHKIN: What specifically did he bring up that gives you the impression that he was a leader? What actions? What did he propose?

MR. NELSON: He led the conversation. He led the activity on what had gone on, what was going on.

JUDGE CHACHKIN: What actions, if any, did he propose as the leader?

MR. NELSON: There were no actions proposed at that initial meeting.

JUDGE CHACHKIN: What proposals did he make as the quote, unquote, "leader"?

MR. NELSON: I don't have a specific, Your Honor.

Tr. 1450-52.

MR. BELENDIUK: What I want to know is what have you done aside from paying bills and what I have asked you about now?

MR. NELSON: The participation in the meeting in Chicago, phone conversation with Mr. Anderson.

MR. BELENDIUK: Okay.

MR. NELSON: That's it.

Tr. 1461.

ORAL TESTIMONY OF RICHARD W. GOEHRING

Mr. Goehring testified in the La Star proceeding before Judge Chachkin on January 24, 1991. The Bureau believes that issues exists whether Mr. Goehring lacked candor, misrepresented facts, or attempted to mislead the Commission as to the following testimony:

MR. TOLLIN: Did you interface with Mr. Biby?

MR. GOEHRING: Mr. Biby himself, not to my recollection. Mr. Biby's firm, on occasion, yes.

Tr. 1481.

MR. TOLLIN: Have you ever worked with Mr. Biby?

* * *

Mr. Biby himself on the La Star project?

MR. GOEHRING: Not to my recollection, no.

Tr. 1482.

JUDGE CHACHKIN: Can you tell me why Mr. Biby and Mr. Peabody were advising you as to the nature of the work they were performing on behalf of La Star?

MR. GOEHRING: The reason why they were advising me is that United States Cellular had agreed to pay the invoices for Mr. Biby's firm and also to pay for its reviewing site options.

I was asked by Don Nelson to just ensure that the charges for this engineering were reasonable and customary for the amount of work performed.

Tr. 1486-87.

MR. GOEHRING: Well, I wasn't aware that Tom [Gilliland] was involved even to this extent, Your Honor. No, I knew Tom was involved in preparing some of the background material for our effort on the petition to deny.

I know we were not requested to do any work of an engineering nature. There may have been some administrative issues in connection with the role that we had, which is essentially to approve areas, expenditures related to the La Star filing.

Tr. 1498-99

MR. GOEHRING: . . . Yes, we got some information from Mr. Biby, but our involvement was simply limited to essentially ensuring that whatever he was charging La Star and USCC for, that was a reasonable charge.

Tr. 1507.

MR. BELENDIUK: Just go through [the October 1987 Amendment], perhaps even page by page and as you get to anything that you participated in, would please let me know?

MR. GOEHRING: Well, I don't recall participating in any of this. I don't believe we had a role in this.

Tr. 1510.

MR. BELENDIUK: The same thing, could you go over [the 1988 application for interim authority], and if you want to, page by page, and just tell me what role you played in the preparation of that document, what input you had in the preparation of that document?

MR. GOEHRING: We had no input to any of these documents.

Tr. 1511-12.

ORAL TESTIMONY OF MARK KROHSE

Mr. Krohse testified in the La Star proceeding before Judge Chachkin on January 23 and 24, 1991. The Bureau believes that issues exist as to whether Mr. Krohse lacked candor, misrepresented facts, or attempted to mislead the Commission as to his following testimony:

MR. TOLLIN: Isn't -- isn't the second paragraph [of your written testimony] the main -- the paragraph that deals with what you did for La Star?

* * *

MR. KROHSE: Yes.

MR. TOLLIN: Is this the sum total of things you've done for La Star?

MR. KROHSE: Yes.

Tr. 1236.

USCC EXHIBIT NUMBER 1

After USCC was allowed to intervene in the La Star proceeding, it, on March 14, 1991, filed USCC Exhibit 1. This exhibit consisted primarily of a statement of Donald H. Nelson. The Bureau believes that issues exist as to whether the following statements misrepresented facts, lacked candor, or were made in an attempt to mislead the Commission:

- "Other USCC personnel and I have been fully occupied with getting cellular systems operational and thereafter with managing them, and have devoted little time to the details of the acquisitions by TDS." (USCC Ex. 1 at 7.)

This statement makes it appear as though Nelson and USCC played no role in the acquisition of the La Star interest.